

METRO

A Reliable Partner in Progress

METRO

Cash & Carry India

BENGALURU • HYDERABAD • VIJAYAWADA • MUMBAI • JALANDHAR • AMRITSAR
ZIRAKPUR • LUDHIANA • JAIPUR • NEW DELHI • KOLKATA • INDORE

www.metro.co.in

Corporate Communications



METRO in the Community

METRO Cash & Carry has been in India for well over a decade, and the choices we make as a business every day have a deep and lasting impact on the communities within which we operate. We are acutely aware of our responsibility to our customers, workforce and suppliers, and hold ourselves accountable for their welfare and growth.

As India's most trusted wholesaler, we constantly seek more efficient and sustainable ways to do business. We also commit ourselves anew to the concerns and challenges of our society and environment. We treasure our relationships with diverse groups - from farmers and fishermen to traders and entrepreneurs across the length and breadth of our country.

This is the story of how these relationships have matured, and the ways in which we continue to make a real difference to our most important stakeholders - the communities we are a part of.



Building the Agricultural Supply Chain

In India, post-harvest wastage and poor merchandise quality is a significant threat to food security. METRO Cash & Carry India is meeting these challenges and enabling better food supplies across its network of wholesale distribution centres, by building an efficient agricultural supply chain.

Working closely with farmers in four States, METRO has set up Fruit & Vegetables Collection Centres that serve as a point of consolidation for fresh produce. Farmers are informed in advance of the day's requirement and prices, so they can plan their harvest and transport it directly to the local Collection Centre. Here, the fresh produce is weighed electronically, sorted and graded to high quality standards, then transported and delivered directly to METRO's urban Distribution Centres.

With fragmented landholdings no more than 1-5 acres in size, low levels of mechanization, lack of technical know-how and multiple crops, the average Indian farmer has traditionally been at the bottom of the food supply chain.

METRO's Collection Centres offer him manifold benefits, through a simple process for the consolidation and sale of his crops.

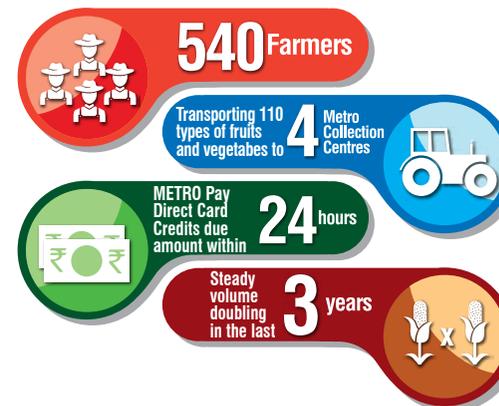


With a METRO Collection Centre located closer to the agricultural belt of the State than urban fruit and vegetable 'mandis', the farmer is able to save significantly on the costs of transportation, as well as on time and effort required to sell his produce in the City. With the advantage of a regular and reliable demand from METRO, and access to training and know-how to improve productivity, the farmer now gains more control over his livelihood.

Most importantly, METRO has been able to include the farmer into the mainstream banking system with the help of the pioneering Pay Direct Card, issued to all farmers who choose to supply fresh produce to METRO. METRO's Pay Direct Card serves as a regular debit card linked to a bank account opened in the farmer's name. As soon as a farmer completes a sale with METRO, the amount due to him is processed and credited within 24 hours to his account. The farmer now has immediate and convenient access to his funds through any regular ATM in his vicinity. This allows the farmer to build a documented financial history and offers him unprecedented credit opportunities for the future.

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Towards a Sustainable Future

Beside providing farmers with a transparent and reliable channel for the sale of fresh produce, METRO Cash & Carry India is also committed to helping Indian farmers achieve higher yields and improved food quality. In partnership with leading companies in the areas of seed technology, crop science and pest management, METRO is implementing best agricultural practices according to international standards and certification systems, in keeping with customer requirements of food quality, safety and traceability.

This collaboration has resulted in the development and implementation of an innovative 5P programme, aimed at creating awareness of quality improvement, disease and pest management, as well as the safe use and handling of pesticides. Farmers receive advice and training on how to monitor,

harvest, grade and pack vegetables so the produce suffers the least damage possible in transit.

Repeated training has yielded impressive results throughout the crop cycle, with net incomes rising by more than a third for farmers supplying to METRO.

Through these efforts, METRO's partnership with farmers focuses on the optimum utilisation of agricultural resources, guidance on agro-nomic practices and regular quality training workshops with farmers.

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'5 P' Program

PRODUCTION
Crop production training and advice

PROTECTION
Development and implementation of scientific plant protection program

PROGRAM MONITORING
Professional production process monitoring

PASSPORT
Proof for documentation and traceability

POST HARVEST
Grading, sorting, packing and transportation



Super Trader, Super Success!

Over 14 million convenience stores or kiranas dot the Indian landscape. Crammed full with everything from snacks and stationery to toiletries and cosmetics. These kiranas value their long-standing relationships with their customers, possessing a deep understanding of their preferences and a willingness to respond to their needs with personalized services.

Today, the kirana competes not just with other shops of his own size, but with mushrooming supermarkets and departmental stores that offer greater value, variety and visibility of products to the consumer.

It is here that METRO hopes to offer the traditional kirana an alternative – the opportunity to swim rather than sink into oblivion, to stay relevant to his customers and address their changing demands, even as he grows profitably year after year.

METRO's initiatives help the trader focus on critical aspects of his day-to-day business, that can make his store more customer-friendly, efficiently planned and well-stocked. With this, the trader can tailor competitive prices, build sharper and updated assortments, manage his cash and inventory management more efficiently and ensure better services such as credit, delivery or other such conveniences.

With sales and profits of METRO's trader partners showing a solid upward growth curve, we are proud that our support to local traders is helping nurture one of the landmarks of the Indian neighbourhood, its local cornershop kirana.

A Kirana Story

When METRO opened its second outlet in Hyderabad, Ajay of Dhanalakshmi Stores near Uppal was one of the first to sign up. As a child, Ajay had dreamed of setting up a bustling, well-stocked departmental store of his own. But the advent of large retailing franchises posed stiff competition to his convenience store and his very livelihood. Ajay saw other retailers rapidly becoming more organised and systematic, while his cramped little cornershop was losing business.

Ajay was at a loss. "The morning rush always saw us scrambling for stock, often missing a product that was lying right before our eyes because everything was such a mess. And customers had no time to wait!"

10 years after he first set up shop, Ajay was inspired to take the plunge on revamping his store with METRO's help. "I have been a customer of METRO since it entered Hyderabad in 2006," says Ajay. "On every visit, we were always struck by how well their products were organized and displayed by

categories. I wanted us to do the same in our little shop, but we didn't know how to go about it."

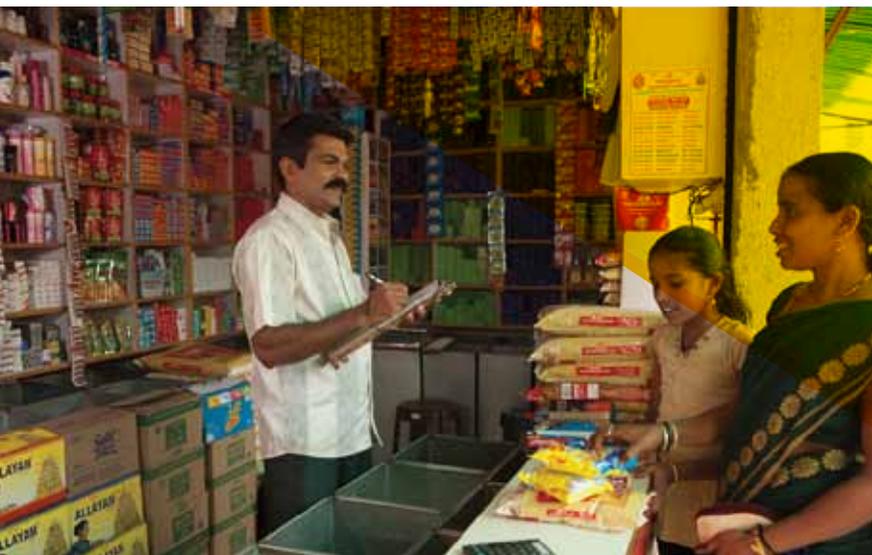
The METRO team helped him study his immediate neighbourhood, mapping his competition and his customer base. What kind of products did he need to stock? How could he maximize the space in his little 600 sq.ft. shop? Where could he place products strategically to move them off the shelves faster? How could he provide his customers with exactly what they needed when they need it?

"The METRO team was amazing. They understood my business, my desire to improve and grow. And importantly, they also understood my limitations. With their help, I am now working far more efficiently than I could have imagined, in the same little space."

Today, the new Dhanalakshmi Provision & General Stores has improved not just its appearance, but also its profitability. Margins are higher, business is more brisk. And Ajay is dreaming bigger.

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Serving the Hospitality Industry

As one of the country's largest wholesale distributors of fresh and ultra-fresh food products, METRO is committed to serving the requirements of the Indian hospitality sector. Our customers in the HoReCa industry range from the country's most prestigious hotel chains and specialty restaurants, to small canteens, eateries and catering businesses.

While METRO strives to be the best one-stop hospitality resource for these customers, we go a step farther as a professional partner, by providing them with opportunities to better their business practices and nurture young culinary talent. We do this through active support to the industry through our well-appreciated **Chef-o-logy** platform.

We are also proud of our partnerships with several professional culinary associations across India, including Association of Hotels & Restaurants, National Restaurants Association of India,

Telangana State Hotels Association and South Gujarat Hotels & Restaurants Association.

Swatchhta Aur Satkar

METRO's efforts begin with supporting small-scale entrepreneurs in the hospitality sector (local restaurants, caterers, canteens and dhabas). We strive to understand the key issues and opportunities in their business, so we can help them improve their standards of hygiene and customer service, through the *Swatchhta Aur Satkar* programme.

Customers in this programme develop an increased focus on hygienic stocking of food products, as well as training staff on cleanliness, quality and customer service. Guests who enjoy the flavours of regional cuisine are reassured to find superior standards of food safety and sanitation being upheld at these small food outlets.



Swatchhta Aur Satkar

- 16 intensive workshops with 172 participants
- Successful outreach programmes in Indore, Delhi, Jaipur, Hyderabad, Vijayawada and Surat, with an average of 40 customers (mid-size restaurants) at each location
- A total of 24 workshops, conducted with 26 customers as of 2016

Khol De Khazana

METRO's *Khol De Khazana* programme also helps unlock the potential of entrepreneurs in the food and food service business, by helping them streamlining their inventories and back-end processes. The increased operational efficiency results in easier cash flow and greater profits. Accompanied by training programmes for front-end service staff, this programme has helped several restaurateurs in Punjab increase their sales significantly.

Showing The Way With Chef-o-logy

METRO's continuing efforts to engage with the culinary community have resulted in Chef-o-logy, an interactive knowledge-sharing programme for Hotels, Restaurants and Caterers (HoReCa). Organized with the support of renowned chefs and food consultants, Chef-o-logy is an opportunity for the hospitality

community to update themselves on thematic cuisines, participate in food festivals and learn about efficient kitchen practices, menu merchandising and relevant business skills.

The Chef-o-logy platform has afforded METRO many opportunities to engage with the formidably qualified community of Chefs across India, through trade bodies such as the Indian Federation of Culinary Associations (IFCA) and the Indian Culinary Forum (ICF). METRO's constant endeavour to support their immense creativity and professionalism has resulted in initiatives such as the Young Chefs' Culinary Challenge (YCCC), which has allowed us to recognise and nurture upcoming culinary talent in 88 young chefs, through a series of live competitions held over the past few years, as well as the Modern Indian Cuisine competition held amongst the country's top 700 chefs.



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International Quality

METRO Cash & Carry India's quality standards are uncompromising, and define all our products and processes. Our quality standards are uncompromising, and define all of our products and processes.

This is why we are currently the country's first modern wholesaler to be certified to the stringent international HACCP standards of Quality and Food Safety. The Hazard Analysis and Critical Control Points (HACCP) management system is a globally recognized system, adopted by METRO, even though it is not mandatory in India. HACCP monitors the physical, chemical and biological aspects of food safety. At METRO, most of our DCs are now HACCP compliant, and the remaining are in the process of being reviewed, audited and certified.

Two of our METRO Distribution Centres (Bangalore & Hyderabad) have been conferred the coveted CII National Award for Food Safety, in the 'Food Retailers & Vendors' category, for adhering to the highest standards of food safety and quality processes.

While setting the yardstick for food safety and quality in the Indian market, METRO provides the supplier community with training

to achieve these standards. For instance, joint training by METRO and the United Nations Industrial Development Organization (UNIDO) enables supplier upgradation, while integrating awareness on the social, environmental and ethical standards for food quality.

The Food Safety Knowledge Network tool provided by the Global Food Safety Initiative (GFSI) gives METRO the required framework for pre-assessment, training and post-assessment.

Through METRO, suppliers are introduced to international food management concepts. For instance, meat suppliers undergo a vendor development programme that familiarizes them with compliance, hygiene, legal and food safety norms. In the past, METRO has also trained over 1250 fishing crews along India's west coast on various aspects of quality, hygiene and handling.

In this way, METRO bridges the gap between Indian suppliers and their global counterparts. The visible outcome of these training programmes has been the supplier's adoption of industry best practices, with a focus on food safety and maintaining product quality.



Winning Workforce

With the retail industry expanding at record growth rates, METRO has also focused on building a skilled and productive workforce, through structured training programmes and certifications, under the aegis of the METRO HR Academy. We aim to provide retail training that can enhance the productivity and income levels of youth faced with a lack of opportunities, resources or specialised skills.

Training at METRO HR Academy cover skillsets such as butchery, forklift operators, cashiers and produce handling. Combined certification from METRO and trade/government bodies ensures quality-assured learning and credible assessment, accompanied by access to scholarships, internships and job opportunities.

Our objective is to provide METRO as well as the industry with a reliable quality and quantity of manpower, and to ensure that our contributions go beyond employment generation - towards building a self-reliant and economically progressive community.

METRO also aims to expand its base of differently-abled employees, having successfully provided employment opportunities in the areas of goods receiving, packing/re-packing and customer-facing roles. This transition for differently-abled employees is facilitated by on-the-job training and support, along with a sensitization programme for all floor staff. The success of this initiative has encouraged us to grow this programme further in our network of distribution centres.

Small wonder then that METRO Cash & Carry India was ranked 2nd in the Retail Industry in the prestigious Great Places to Work survey in 2015 and 2016, and was named among the Top 25 Best Employers of India in 2016!



